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JON M. HUNTSMAN, JR.  
Governor

GARY R. HERBERT  
Lieutenant Governor

## State of Utah

DEPARTMENT OF NATURAL RESOURCES

MICHAEL R. STYLER  
Executive Director

Division of Oil, Gas and Mining

JOHN R. BAZA  
Division Director

Outgoing  
C0070022  
#3281  
B

June 4, 2009

John Walters, General Manager  
Savage Services Corporation  
6340 South 3000 East, Suite 600  
Salt Lake City, Utah 84121

Subject: 2008 Annual Report Review, Savage Coal Terminal, C/007/0022, Task ID # 3281  
Outgoing File

Dear Mr. Walters:

The Division staff has completed the 2008 Annual Report Review. Enclosed is a copy of the review for Savage Coal Terminal, C/007/0022 completed on June 2, 2009.

Thank you for your diligence in completing the Annual Report. If you have any questions, please call me at (801) 538-5325.

Sincerely,

Daron Haddock  
Permit Supervisor

sqg  
Enclosure  
O:\AnnualReport\2008 Annual Reports\annualreportreviewletter.doc



This Annual Report shows information the Division has for your mine. Please review the information to see if it is current. If the information needs to be updated please do so in this document. At the end of each section the operator is asked to verify if the information is correct. Please answer these questions and make all comments on this document. Submit the completed document and any additional information identified in the Appendicies to the Division by April 30, 2009. During a complete inspection an inspector will check and verify the information. To enter text, click in the cell and type your response. You can use the tab key to move from one field to the next. To enter an X in a box, click next to the box, right click, and select properties, then the checked circle, then hit enter, or hit the unchecked circle if the X is to be removed.

## GENERAL INFORMATION

Permitte Name	Savage Services Corporation
Mine Name	Savage Coal Terminal
Operator Name	
(If other then permittee)	
Permit Expiration Date	August 7, 2009
Permit Number	C0070022
Authorized Representative Title	John M. Walters, General Manager
Phone Number	435 637-5664
Fax Number	435 637-3418
E-mail Address	
Mailing Address	6340 S. 3000 E., Suite 600, SLC, Utah 84121
Designated Representative	Kelly J. Flint, Senior Vice President and General Council
Resident Agent	H. Benson Lewis (Final DOGM approval pending)
Resident Agent Mailing Address	6340 S. 3000 E., Suite 600, SLC, Utah 84121
Number of Binders Submitted	1-SLC, 1-PFO @ May 6, 2009

Operator, please update any incorrect information.

## IDENTIFICATION OF OTHER PERMITS

Identify other permits that are required in conjunction with mining and reclamation activities.

Permit Type	ID Number	Description	Expiration Date
MSHA Mine ID(s)	42-01444	Coal Loadout	N/A
MSHA Impoundment(s)	None		
NPDES/UPDES Permit(s)	UTG-040005	Pond 6	04-30-08
PSD Permit(s) (Air)	DAQE-AN1793003-06	Approval order	N/A

### Other


Operator, please update any incorrect information.

**CERTIFIED REPORTS**

List the certified inspection reports as required by the rules and under the approved plan that must be periodically submitted to the Division. Specify whether the information is included as Appendix A to this report or currently on file with the Division.

**Certified Reports:**      **Required**      **Included**      **or**      **DOGM file location**  
                                  Yes      No      Included      Vol, Chapter, Page

Excess Spoil Piles	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	
Refuse Piles	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	
Impoundments	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	
<b>Other</b>				
	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	

**Operator Comments:**

**Inspector:**

Has the operator complied with this section? Yes ☒ No ☐

**Inspector Comments:**

**COMMITMENTS AND CONDITIONS**

This Annual Report shows information the Division has for your mine. Please review the information to see if it is current. If the information needs to be updated please do so in this document. At the end of each section the operator is asked to verify if the information is correct. Please answer these questions and make all comments on this document. Submit the completed document and any additional information identified in the Appendicies to the Division by April 30, 2009. During a complete inspection an inspector will check and verify the information. To enter text, click in the cell and type your response. You can use the tab key to move from one field to the next. To enter an X in a box, click next to the box, right click, and select properties, then the checked circle, then hit enter, or hit the unchecked circle if the X is to be removed.

Admin R645-301-100

Soils R645-301-200

Biology R645-301-300

**Title: WILDLIFE AWARENESS PROGRAM****Objective:** To protect and enhance wildlife populations at or near the facilities.**Frequency:** As needed.**Status:** Ongoing.**Reports:** Annual.**Citation:** Volume 1, Section 3.4.5.2, page 3-49a.**Operator:** Has this commitment been acted on this year?Yes ☒ No ☐ Not required this year. ☐ If yes, comment;**Operator Comments:****During Weekly Meetings.****Inspector:**Has the operator complied with this commitment? Yes ☒ No ☐**Inspector Comments:****Title: WILDLIFE MONITORING PROGRAM****Objective:** To evaluate the ongoing success of mitigation measures and ensure that TE and Sensitive. Species and habitats are not disturbed**Frequency:** As needed.**Status:** Ongoing.**Reports:** Annual.**Citation:** Volume 1, Section 3.4.5.3, page 3-50**Operator:** Has this commitment been acted on this year?Yes ☐ No ☒ Not required this year. ☐ If yes, comment;**Operator Comments:****Inspector:**Has the operator complied with this commitment? Yes ☒ No ☐**Inspector Comments:**

**The commitment is based upon an "as needed / as necessary" frequency in the MRP. Raptor / T&E notifications to the Division will be made by the Permittee upon discovery of new presence. No new raptor or T&E presence has been reported to the DOGM. Therefore, the Permittee is meeting the requirement of this commitment.**

**Title: NOXIOUS WEED CONTROL****Objective:** To control invasive species in and adjacent to the disturbed area.**Frequency:** Annually.**Status:** Annually.**Reports:** Annual.**Citation:** Volume 1, Section 3.4.5.4 or .5, page 3-62a.**Operator:** Has this commitment been acted on this year?Yes ☐ No ☒ Not required this year. ☐ If yes, comment;**Operator Comments:****Inspector:**Has the operator complied with this commitment? Yes ☐ No ☒**Inspector Comments:** The MRP only requires that "attempts" be made to control noxious weeds. The Permittee has committed to co-operating with Carbon County by implementing the Counties noxious weed control guidelines when necessary.

Landuse, Cultural Resources, Air Quality R645-301- 400

Engineering R645-301-500

Geology R645-301-600

Hydrology R645-301-700

**Title: ANALYSIS OF BASELINE PARAMETERS EVERY FIVE YEARS.****Objective:** Periodic analysis for baseline parameters for long term impacts to surface and ground water.**Frequency:** Once every five years.**Status:** Ongoing.**Reports:** Report as part of quarterly water monitoring.**Citation:** Chapter 7, pp. 7-26 and 7-36.**Operator:** Has this commitment been acted on this year?Yes ☐ No ☒ Not required this year. ☐ If yes, comment;**Operator Comments:****Inspector:**Has the operator complied with this commitment? Yes ☐ No ☒**Inspector Comments:****This is not a commitment in the Savage MRP.****Title: IDENTIFICATION OF ACID/TOXIC PROPERTIES OF WASTE STREAM FROM SAVAGE PREPARATION PLANT STORED ON SITE LONGER THAN 30 DAYS.****Objective:** Provide documentation of chemical characteristics of process waste generated on site through analysis of parameters as described in Tables 4 and 8 of the DRAFT 2005 Division Guidelines.**Frequency:** Sample every 5,000 tons generated.**Status:** Ongoing.**Reports:** Laboratory analysis sheets provided quarterly and in Annual Report.**Citation:** MRP Sec. 3.2.3.3.**Operator:** Has this commitment been acted on this year?Yes ☐ No ☒ Not required this year. ☐ If yes, comment;**Operator Comments:****Inspector:**Has the operator complied with this commitment? Yes ☐ No ☐ NA ☒**Inspector Comments:**

This commitment is not applicable to the Savage permit. All coal processing waste generated by the Canyon Fuel Company processing plant is returned to the Dugout Canyon Mine waste rock disposal area. The wash plant is permitted to wash coal from Dugout and Skyline Mines.

Bonding &amp; Insurance R645-301-800

**Other Commitments**

\*Reminder: If equipment has been abandoned during 2008, an amendment must be submitted that includes a map showing its location, a description of what was abandoned, whether there were any hazardous or toxic materials and any revision to the PHC as necessary.

**REPORTING OF OTHER TECHNICAL DATA**

List other technical data and information as required under the approved plan, which must be periodically submitted to the Division. Specify whether the information is included as Appendix B to this report or currently on file with the Division.

**Operator Comments:**

N/A

**Inspector:**

Has the operator complied with this section? Yes ☐ No ☐

**Inspector Comments:****LEGAL, FINANCIAL, COMPLIANCE AND RELATED INFORMATION**

Change in administration or corporate structure can often bring about necessary changes to information found in the mining and reclamation plan. The Division is Requesting that each permittee review and update the legal, financial, compliance and related information in the plan as part of the annual report. Please provide the Department of Commerce, Annual Report of Officers, or other equivalent information as necessary to ensure that the information provided in the plan is current. Provide any other change as necessary regarding land ownership, lease acquisitions, legal results from appeals of violations, or other changes as necessary to update information required in the mining and reclamation plan. Include certified financial statements, audits or worksheets, which may be required to meet bonding requirements. Specify whether the information is currently on file with the Division or included as Appendix C to the report.

Legal / Financial Update	Required		Included	or	DOGM File location
	Yes	No	Included		Vol, Chapter, Page
Department of Commerce, Annual Report Officers	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>		On File
	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>		
	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>		

	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
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**Operator Comments:****Inspector:**

Has the operator complied with this section? Yes ☒ No ☐

**Inspector Comments:****MAPS**

Copies of mine maps, current and up-to-date through at least December 31, 2008, are to be provided to the Division as Appendix D to this report in accordance with the requirements of R 645-301-525.240. The map copies shall be made in accordance with 30 CFR 75.1200 as required by MSHA. Mine maps are not considered confidential. (Please provide a CD.)

Confidential information is limited to:

R645-300-124.310. Information that pertains only to the analysis of the chemical and physical properties of the coal to be mined, except information on components of such coal which are potentially toxic in the environment.

R645-300-124.330. Information on the nature and location of archeological resources on public land and Indian land as required under the Archeological Resources Protection Act of 1979 (P. L. 96-95, 93 Stat. 721, 16 U.S.C. 470).

R645-301-322, Fish and Wildlife Information; R645-301-322.100, the scope and level of detail for such information will be determined by the Division in consultation with state and federal agencies with responsibilities for fish and wildlife and will be sufficient to design the protection and enhancement plan required under R645-301-333 and R645-301-322.230, other species or habitats identified through agency consultation as requiring special protection under state or federal law; R645-301-333.300, Include protective measures that will be used during the active mining phase of operation.

The Division will provide procedures, including notice and opportunity to be heard for persons both seeking and opposing disclosure.

**Map Number(s)****Map Title/ Description**

Annual subsidence map	N/A		
Mine map	N/A		
Other maps	N/A	<b>Confidential</b>	
		Yes	No
		<input type="checkbox"/>	<input type="checkbox"/>
		<input type="checkbox"/>	<input type="checkbox"/>
		<input type="checkbox"/>	<input type="checkbox"/>
		<input type="checkbox"/>	<input type="checkbox"/>
		<input type="checkbox"/>	<input type="checkbox"/>
		<input type="checkbox"/>	<input type="checkbox"/>
		<input type="checkbox"/>	<input type="checkbox"/>
		<input type="checkbox"/>	<input type="checkbox"/>

**Operator Comments:**



**Inspector:**

Has the operator complied with this section? Yes ☐ No ☐

**Inspector Comments:**

Please provide any comments of further information to be included as part of the Annual Report. Any other attachments are to be provided as Appendix E to this report. If information is submitted as a group rather than by individual mine, please identify each of the mine's data in the list below.

Yes ☐

No ☐

[illegible]

**Inspector:**

Has the operator complied with this section? Yes ☐ No ☐ N/A ☒

**No comments.**

O:\AnnualReport\2008 Annual Reports\Operator Annual Reports (Initial Outgoing)\Active Mines\Savage Coal Terminal C0070022.doc

**APPENDIX A****Certified Reports**

Excess Spoil Piles  
Refuse Piles  
Impoundments

As required under R645-301-514

**CONTENTS****REFUSE PILE INSPECTIONS****ANNUAL IMPOUNDMENT INSPECTIONS****Inspector Comments:****REFUSE PILE INSPECTIONS**

The 2008 Annual Report for the Savage Coal Terminal contains quarterly inspections reports for all four quarters of 2008. The inspections were performed and P.E. certified by Mr. Dan Guy, P.E., of Blackhawk Engineering Company. None of the quarterly inspections noted potential safety hazards. All slopes were reported as appearing stable. The 4<sup>th</sup> quarter report noted that "regarding" is occurring on the North Side of the pile. BTU resource recovery material is being recovered from the North side and is being shipped to Sunnyside Cogeneration associates in Sunnyside, Utah as fuel enhancement. Ditches and berms on the Savage disposal area are being maintained. Monthly inspections at this site confirm that water is not being allowed to accumulate on the pile surface, and drainage is occurring without erosive cutting of any areas of outslope. All quarterly reports are P.E. certified by Mr. Dan Guy, Utah registered professional engineer.

The Permittee is meeting the reporting requirements of this section of the 2008 Annual Report.

**ANNUAL IMPOUNDMENT INSPECTIONS**

The Permittee, through Blackhawk Engineering Company, performed the annual impoundment inspections and P.E. certifications for the five sediment ponds and four fine coal settling basins at Savage on September 4, 2008. These inspections were also noted as being the 3<sup>rd</sup> Quarter 2008 inspections/reports.

Ponds 1, 5 and 6 were cleaned in August 2008, and the 9/4/08 inspection and P.E. certification also serves as the re-certification for those impoundments. The four fine coal settling basins are cleaned and recertified on an "as-needed" basis which is dependent upon the coal volume being washed through the ARCH Coal Company wash plant. All impoundments were noted as having stable inslopes, with adequate sediment storage capacity remaining.

**The Permittee is meeting the reporting requirements of this section of the 2008 Annual Report.**

**APPENDIX B**

**Reporting of Technical Data**

Including monitoring data, reports, maps, and other information  
As required under the approved plan or as required by the Division

In accordance with the requirement of R645-310-130 and R645-301-140

**CONTENTS**

**N/A**

**APPENDIX C**

**Legal Financial, Compliance and Related Information**

Annual Report of Officers  
As submitted to the Utah Department of Commerce

Other change in ownership and control information  
As required under R645-301-110

**CONTENTS**

**ON FILE**

**VOLUME 1, CHAPTER 1**

**R645-301-112.310**

**APPENDIX D**

**Mine Maps**

As required under R645-302-525-270

**CONTENTS**

N/A



**APPENDIX E**

**Other Information**

In accordance with the requirements of R645-301 and R645-302

**CONTENTS**

N/A